

COMMISSION OF THE EUROPEAN COMMUNITIES

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DRAFT COMMISSION DECISION (ECSC)

amending Decision No 73/287/ECSC concerning coking coal and
coke for the iron and steel industry in the Community

(presented by the Commission to the Council)

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EXPLANATORY MEMORANDUM

Considerations relating to the extension and amendment of Decision n° 73/287/ECSC of 25 July 1973 concerning coking coal and coke for the iron and steel industry in the Community (1).

A. SUMMARY

1. The above Decision applies until 31 December 1981. The Commission is proposing to extend its period of validity until 31 December 1983 while slightly adjusting certain details in order to bring them into line with the present situation (see No. 16).

During the two-year extension the Community should establish a general coal strategy which should cover the new rôle of coal and metallurgical coke.

This should be done without perturbing the supply conditions in that sector (see No. 21).

2. The legal basis for the coking-coal scheme is the first paragraph of Article 95 of the ECSC Treaty, as a result of which it has been possible to establish machinery comprising :

- (a) a Community scheme covering the Member State's national aid to coking-coal producers,
- (b) the financing of Community aid for sales in the context of intra-Community trade,
- (c) pricing rules extending the alignment possibilities afforded to the coal firms pursuant to the last paragraph of Article 60(2)(b) of the ECSC Treaty.

3. The Decision's basic economic objective is still the maintenance within the Community of sufficient coking coal production capacity to ensure optimum colliery activity and guarantee secure coke supplies for the iron and steel industry at reasonable costs.

The scheme establishes Community solidarity against the continuing uncertainties on the world coking-coal market ; it also lays down conditions for transparency and non-discrimination.

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(1) OJ No. L 259, 15.9.1973, p. 36

B. EXPLANATORY MEMORANDUM

THE PRESENT SCHEME

4. Origins and reasons

Particularly since the 1960s, coking coal has occupied a leading place in the Member States' and the Community's coal policy considerations, since it provides, in the form of blast-furnace coke for pig iron production, an essential and expensive raw material for the iron and steel industry, while where thermal applications are concerned, in particular electricity generation, the other types of coal and the other sources of energy (oil etc.) are to a great extent interchangeable.

In the energy Protocol of 21 April 1964, the Member States took the view that the Council should pay particular attention to the question of the Community's long-term coking-coal supplies (1), and in the Protocol of 16 February 1967, the Member States took into consideration (2) :

- (a) active competition from non-member country products, and
 - (b) the significance of intra-Community trade,
- and decided to establish for the sector in question :
- (a) a special aid scheme for coal firms, and
 - (b) a scheme for offsetting burdens in respect of intra-Community trade.

The Council and the Consultative Committee have been consulted, as required by Article 95 of the Treaty, on the successive decisions taken by the Commission in this field since 1967, and the outcome of these consultations has shown that The Community considers that it is in the common interest of the Member States and of the coal and steel industries to participate in a scheme which seeks to attain several objectives set out in Articles 2 and 3 of the ECSC Treaty.

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(1) OJ No 69, 30.4.1964, p. 1099, point 12

(2) OJ No 36, 28.2.1967, p. 561.

The maintenance within the Community of an adequate coking-coal and coke production capacity in connection with the considerable volume of intra-Community trade in coal and coke is intended to help ensure good security of supply for the iron and steel industry in the Community as a whole. The Community coal-mining industry's production costs are covered by selling prices to the iron and steel industry which are as close as possible to the world prices for comparable transactions, plus specific aid calculated in accordance with Community criteria. This establishes conditions for transparency and non-discrimination within the Community and a price level comparable with that observed for competing iron and steel industries. In this way, it is possible to avoid transferring part of the Community demand for coking coal to the world market, since this might trigger a large increase in the level of world coal prices in general.

5. The present machinery

The Decision now in force (No 73/287/ECSC of 15 July 1973 (1)), was initially adopted for six years. It was extended for a further three years as a result of Decision No 1613/77/ECSC of 15 July 1977 (2), and certain procedures were altered by Decision No 3058/79/ECSC of 19 December 1979 (3). The text which now applies was published in OJ No C 26 of 13 February 1980, page 2. It applies until 31 December 1981.

The detailed rules for implementing this Decision were set out in Decision No 3544/73/ECSC of 20 December 1973 (4), which has remained virtually unchanged since then. The scheme, which was set up on the basis of the first paragraph of Article 95 of the ECSC Treaty, has three main aspects :

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(1) OJ No L 259, 15.9.1973, p. 36

(2) OJ No L 180, 20.7.1977, p. 58

(3) OJ No L 344, 31.12.1979, p. 1

(4) OJ No L 361, 31.12.1973, p. 18

- (a) A Community system of financial aid to firms producing coking coal to be used in the form of coke in blast furnaces (1)

If the cost price of Community coal exceeds the price of coal on the world market, the Member States may grant production aid, supplemented, where appropriate, by sales aid in respect of deliveries to remote areas or other countries.

- (b) In the case of deliveries to other Community countries, sales aid may be repaid via a Community fund to which special financing rules apply (2).

Fund intervention covers no more than 15 million tonnes per annum, subject to a ceiling of 47 million ECU. Funding is from three sources : the ECSC (6 million ECU), the iron and steel industry (17 million ECU) and the six Member States normally involved in the trade in question (24 million ECU at most, less if the fund's requirements are less than 47 million ECU) (3).

For 1980 the average rate of Community sales aid (which varies depending on the blast furnace's location) was 3.10 ECU, while the average rate of production aid per tonne in the producing countries was as follows :

Belgium	42 ECU
Germany	21 ECU
France	24 ECU
United Kingdom	16 ECU.

- (c) Pricing rules extending the alignment possibilities afforded to coal firms by the last paragraph of Article 60 (2)(b) of the ECSC Treaty.

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(1) Article 1 and 2 of Decision No 73/287

(2) Articles 6, 7 and 8 of Decision No 73/287

(3) The United Kingdom iron and steel industry's contribution is paid to the United Kingdom provided that the coking coal produced in the United Kingdom covers at least 75 % of the requirements of its blast furnaces (Second indent and last paragraph of Article 6 in conjunction with the penultimate paragraph of recital IV).

Under these rules, selling prices may be aligned on world market prices even if there is no actual competition with coking coal or coke from non-member countries at the point of consumption (1).

The Decision also contains the following provisions, which are designed to guarantee the Community character of the operation of this scheme and compliance with certain limits, including financial limits :

6. periodical publication of a guide price by the Commission : calculated on the basis of long-term supply contracts for coking-coal from free-market-economy countries, this value is supposed to represent all the financial burdens arising for the European iron and steel industry in connection with its coking coal supplies from non-member countries ; it therefore constitutes the basis for calculating production aid in the four Member States concerned and the basis for alignment where all transactions involving Community coal or coke are concerned (2).

Table I indicates how the guide cif price ARA has altered since it was first published (1970-81) in US dollars, EIA/ECU and the currencies of the producing countries. Table A below (page 11) enables a comparison to be made of recent developments in the guide price, production costs and proceeds in the Community.

7. Provisions concerning long-term contracts for supplies to the Community (3) :
the above aid and alignment arrangements apply only to quantities covered by such contracts ; these contracts, which allow for reasonable margins, enable the two parties concerned to plan ahead and help reduce the problem of stocks (4).

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(1) Articles 3 and 4 of Decision No 73/287

(2) Article 5

(3) Article 2(c) of Decision No 73/287 and Article 3 of Decision Np 3544/73

(4) The implications of provisions relating to long-term contracts were the subject of a Communication dated 30 December 1974 (OJ No C 160, 30.12.1974, p. 1). The conditions relating to the performance of long-term contracts were amended for 1977 and 1978 by Decision No 2216/77/ECSC (OJ No L 256, 7.10.1977, p. 12) and Decision No 2287/78/ECSC (OJ No L 275, 30.9.1978, p.78) in order to take account of the situation in the iron and steel industry.

8. THE FIRMS INVOLVED ON THE COMMUNITY MARKET

As emerges from the description given above, the scheme relates to the supply chain constituted by the coal mines, the coking plants and the blast furnaces, and is intended to help these sectors of ECSC activity to operate efficiently. The situation in each of these three sectors is examined below.

9. Coal mines

Much of the Community production will still be loss-making in the foreseeable future.

The scheme has so far made it possible to maintain coking-coal production capacities at the desired level, as well as the requisite workforce and the corresponding level of sales.

In 1980, the amount of coking coal produced in the Community for coking plants totalled 62 million tonnes, or 25 % of the coal produced, the remainder being for thermal applications. The percentage varies from country to country (Belgium 62 %, Germany 46 %, France 25 % and United Kingdom 8 %). It was lower than in earlier years, because of the reduction in iron and steel production and the increase in imports of coking coal and petroleum coke from non-member countries. After power stations, the iron and steel industry still represents a considerable outlet for Community coal. Coking coal is a vital source of activity for many mines and regions.

It accounts for over half the volume of intra-Community trade in coal. Moreover, most of the coal traded is high-grade coal which is only available in small quantities on the world market and which, when used in a blend, makes it possible to make greater use of the cheaper types of coking coal.

The amount of coking coal and blast-furnace coke traded within the Community fell from 20 million tonnes coal equivalent in 1974 to 14 million tonnes in 1980, the nadir being 12 million tonnes in 1977 (1).

For coking coal and the other types of coal, the coal mines play an important stockpiling role which is often of outstanding service.

Table II provides data relating to 1980 for the four producing countries concerning coal production, deliveries to coking plants and intra-Community trade.

Table III indicates for the period 1973-77 the annual average for intra-Community deliveries to countries of destination, and the distribution - between inland and coastal areas - of quantities eligible for Community aid.

10. Coking plants

Coking plants represent a vital aspect of the security of supply of blast furnaces. The coke production capacity in the Community is at present around 80 million tonnes ; production in 1980 exceeded 66 million tonnes, necessitating a supply of 86 million tonnes of coal.

Of this total, 64% was from indigenous resources, 8 % from elsewhere in the Community and 28 % from outside the Community. The total figure of 72 % for Community coal represents a comparatively high degree of security.

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(1) One tonne of blast-furnace coke being counted as 1.33 tonnes of coal.

The quantities produced in Community coking plants cover virtually all the requirements of the iron and steel industry. Without exception, the few imports from outside the Community concern coke breeze.

Iron and steel industry coking plants account for a large proportion (53 %) of the total capacity. Mine-owned coking plants play a decisive role in intra-Community trade in coke (7.5 million tonnes in 1980), and help offset fluctuations in coal production and the demand for coke. The existence of certain mine-owned coking plants is dependent on output from a mine in the vicinity, and in some cases also on output from blast furnace more or less in the vicinity. Mine-owned and independent coking plants also cover coke requirements outside the iron and steel industry.

Under the coking-coal scheme, the rules relating to the price of blast-furnace coke require coverage of the coking plants' net coking costs, since the viability of the existing coking plants should be promoted so as not to increase unduly the investment requirements in this sector, particularly at a time when the iron and steel industry is undergoing restructuring.

Table IV contains data relating to 1980 for the coke-producing countries as regards production, deliveries to blast furnaces and intra-Community trade.

11. Blast-furnaces

At least until 1985, steelmaking in the Community will continue to be based mainly on blast furnace pig iron and hence the use of coke-oven coke. The hopes placed in the alternatives have been disappointed. Formed coke is still at the development stage, the injection of fuel oil in to blast furnaces has declined considerably as a result of the rise in the price of oil, resulting in a marked increase in the specific consumption of coke per tonne of pig iron. This increase has to some extent offset the reduction in pig-iron production observed in recent years. Research is of course continuing with a view to reducing the coke rate.

Blast-furnace coke consumption fell from 60 million tonnes in 1974 to 46 million tonnes in 1980.

The growing proportion of pig-iron production accounted for by modern blast furnaces entails more stringent requirements as regards the quality of the coke used. These requirements can be satisfied as a result of cooperation between Community coal mines, coking plants and blast furnaces.

Table V indicates for 1975, 1977 and 1980 the trend in the consumption of blast-furnace coke country by country, and the proportion accounted for by supplies of coke from other Community countries (5,8 million tonnes in 1980).

Table VI gives the trend in the coke rate (specific consumption of coke per tonne of pig iron) in the different countries for 1975, 1977 and 1980, and forecasts for 1981.

12. THE INTERNATIONAL COKING-COAL MARKET

Coking coal has a special position in the world coal market. Until 1977, it was in fact the focal point of this market.

Since 1979, this role has been played by steam coal, the substitution of which for oil in thermal applications has boosted the international market (198 million tonnes in 1978, 229 million tonnes in 1979 and 232 million tonnes in 1980), even though few new exporting countries have commenced activities.

Coking coal accounts for around 130 million tonnes of this total, which indicates that there has been a slight reduction in recent years. An upturn in economic activity would reverse this trend. Many consuming countries have acquired, or are endeavouring to acquire, control over reserves in non-member countries which would enable them to diversify their supplies, but deliveries to the Community from these mines are still on the small side, and significant results will be achieved only in the medium term.

Table VII indicates the trend in coking-coal imports into the Community.

In 1979, 32 % of world coal exports were from North America and 30 % from Eastern Europe and the Soviet Union.

Although record tonnages were achieved in 1980, certain fundamental difficulties and bottlenecks in the coal supply chain also appeared in these two and other areas. The very significant reduction in deliveries of Polish and Russian coking coal for an indefinite period is calling into question much of the process of diversification which has been going on for many years. This is compounded by delays affecting loading in the United States of America as a result of port congestion since 1980 and the strike by unionized miners from March to June 1981. Deliveries from other major suppliers - Australia and South Africa - could remain limited in the near future.

On a market that is always sensitive, Community purchasers can expect to encounter various kinds of difficulties in the next few years, in particular :

- (a) an expansion in the coking-coal requirements of other steel-producing countries (e.g. Japan - an increase of 5 million tonnes between 1980 and 1985, Brazil, Korea, Canada),
- (b) a switch in the demand for steam coal to certain commercial grades of coking coal with properties that are attractive as regards pollution-control regulations (sulphur content etc.),
- (c) efforts by those selling coking coal to keep up with the price increases accepted by those buying steam coal,
- (d) limited capacity in several ports of loading in the exporting countries.

These difficulties of adjustment explain the feeling of insecurity experienced by European consumers where the short and medium-term supply conditions on the world working-coal market are concerned. They show that the transfer to the world market of a significant proportion of Community demand could come up against quantitative and qualitative limits and trigger a further price rise. After a period in which prices rose moderately (by 10 % early 1979 and late 1980), coking-coal prices have once again started to climb steeply. It should be recalled that between early 1974 and mid-1975 the guide price rose from 32 to 62 dollars per tonne (28 to 50 ECU). In April 1981 it was 80 dollars (76 ECU).

COKING-COAL AID

13. Production aid

Table A below makes it possible to compare the cost prices of Community and imported coking coal. It shows that the competitive situation of Community coking coal worsened considerably between 1976 and 1980.

TABLE A

value per tonne

Year	Guide price (1)			Net proceeds for producers		Production cost	
	Dollars US	DM	EUA ECU	DM	EUA ECU	DM	EUA ECU
1976	63	159	56	153	54	155	55
1977	62	145	55	138	52	160	60
1978	62	125	49	123	48	168	66
1979	65	120	48	115	46	178	71
1980	69	126	50	125	50	200	79

(1) Delivered North Sea port (ARA : Amsterdam, Rotterdam, Antwerp).

The following comments are called for where this table is concerned :

- (a) the guide price expressed in dollars increased by less than 10 %, but only as from 1979 ;
- (b) the equivalent value expressed in DM fell by over 20 %, despite a 5 % rise in 1980, as a result of the fall in value of the dollar. The net proceeds for producers followed the same trend;
- (c) the production cost expressed in DM rose by nearly 30 %. The difference between net proceeds and the production cost rose from 2 to 75 DM (or from 1 to 30 EUA/ECU) per tonne.

The difference between production costs and proceeds reflects the alignment of selling prices on world coking-coal prices, taking into account the coke and coal stockpiling costs borne by Community coal firms.

Production aid in Germany , which has been nil since 1974, rose to 13.50 DM/t in 1977, 41 DM/t in 1978, 48.50 DM in 1979 and 53 DM/t in 1980 (0.5, 16, 19 and 21 EUA/ECU respectively).

At the beginning of 1981 the trend would seem to be in the opposite direction. The guide price expressed in dollars rose by over 10 % in six months compared with the 1980 average, as a result of the increase in the value of the dollar, and the equivalent value in DM rose by over 20 % (approx. 25 DM or 10 ECU). Community coal firms' proceeds in 1981 may be expected to increase by slightly more than the cost prices. In Germany the difference between the world market price and the cost of production is currently (July 1981) about 25 DM (10 ECU)/tonne.

One of the reasons for this change in the trend is the fact that transportation costs for coal from non-member countries have for some time been rising more steeply than intra-Community transportation costs. For example the Atlantic freight charge (USA-ARA) component of the guide price, which stood at 16 DM/t (6 ECU) in 1980 - as it did in 1974 - had reached the figure of 27 DM/t (11 ECU) in the first quarter of 1981, and 34 DM (13 ECU) in the second quarter of 1981, including demurrage charges. It therefore exceeds the cost of carriage from the Ruhr to Genoa by sea or to Lorraine by rail (approx. 31 DM or 12 ECU per tonne). This freight charge is worked out chiefly on the basis of long-term contracts. The spot maritime freight charges are higher at present.

14. Changes in the alignment margins and the rate of sales aid

Table B below summarizes the changes between 1972 and 1981 in the alignment margins, i.e. the difference between the price of non-member country coking coal and that of Community coking coal at the point of consumption. Coal firms are authorized by the Decision to grant rebates not exceeding this difference. Taking German coal by way of example, five typical points of delivery are considered: four remote from coalfields (two on the coast, two inland) and one close to a coalfield. The differences are expressed in dollars and EUA/ECU per tonne.

TABLE B

	<u>1.7.72</u>		<u>1.1.78</u>		<u>1.1.81</u>	
	Dollar	EUA/ECU	Dollar	EUA/ECU	Dollar	EUA/ECU
Genoa (It)	13	12	36	26	45	34
Rotterdam (NL)	10	9	31	23	35	27
Liège (B)	8	7	26	19	32	24
Thionville (F)	7	6	24	17	34	26
Duisburg	5	4	22	16	25	19

The following remarks are called for :

- (a) all the alignment margins have increased significantly in recent years ;
- (b) the alignment margin increases the further away the coalfield is ;
- (c) the margin is greater in the case of coastal steelworks - which is why two different rates of production aid have been set (see Table IX).

Table C below indicates the trend in the difference between the alignment margins for Duisburg (D) and those for the four other points of delivery, on the assumption that the production aid can attain the level of the Duisburg alignment margin.

TABLE C

	<u>1972</u>		<u>1978</u>		<u>1981</u>	
	Dollar	EUA/ECU	Dollar	EUA/ECU	Dollar	EUA/ECU
Genoa (It)	8	8	14	14	20	15
Rotterdam (NL)	5	5	9	7	10	8
Liège (B)	3	3	3	3	7	5
Thionville (F)	2	2	2	1	9	7

It should be noted that in intra-Community trade the sales aid covers a decreasing proportion of the above difference.

In 1973, the rate of aid - set at 2 EUA (2.46 dollars) per tonne on average - covered roughly 20 % of the highest difference in 1972 and all of the lowest one. In 1978, with a rate of 2.10 EUA (2.67 dollars) per tonne the proportions were still more or less the same. In 1981, with a rate of 3.10 ECU (4.30 dollars) per tonne the average rate now covers half the lowest difference and 20 % of the highest one. In fact, as a result of the two different rates (2.60 ECU for inland works and 4.40 ECU for coastal works) 45 % of the difference is covered in the case of the former and 30 % in the case of the latter.

15. Community financing

The Community financing arrangements for the aid paid in respect of intra-Community trade are as follows :

- (a) from 1967 to 1969 : contributions from the Member States.
- (b) from 1970 to 1972 : contributions from the Member States and from the ECSC Budget
- (c) from 1973 : contributions from six Member States, the ECSC Budget and the iron and steel industry.

The respective amounts have been as follows since 1 January 1980 :

- (a) ECSC : 6 million ECU
- (b) Iron and steel industry : 17 million ECU
- (c) Six Member States : no more than 24 million ECU.

Only the Member States benefit from the saving arising from the fact that, at present, as the volume of trade is below the 15 million tonnes per annum ceiling, the financing requirements are below the 47 million ECU maximum.

This is a specific financing system reflecting very pragmatically the interests of the parties concerned and giving expression to the closely - intertwining nature of the three components of the scheme: aid, commercial rules and financing.

The possibility of the coking-coal fund being financed via the General Budget has been raised several times, and in particular in 1979 - first of all by Parliament and subsequently by the Council.

Basically, the Commission would be prepared to propose such a method of financing once the requisite pre-conditions were fulfilled. However, such a proposal would have to be part of the framework of a more structured and financially better endowed Community energy policy than at present, and one in which provision was made, therefore, for coal policy as an integral part of energy policy, and in particular for the coking-coal aid scheme.

Pending the culmination of such an overall plan, it would seem to be appropriate to extend the present coking-coal aid scheme temporarily for at most two years.

With regard to the extension of the existing system, it should be specified that the operation of the Community fund is regularly checked by the Court of Auditors, and that the Commission departments responsible for managing it regularly provide the departments in the Member States with background information on the use made of the funds.

The Commission's inspection departments and/or the Member State's financial control departments check the firms' operations which give rise to financing at national or Community level.

Table VIII shows the trend in aid in respect of intra-Community trade from 1975 to 1980.

THE NEW PROPOSAL

16. In the light of the foreseeable medium-term situation, the Commission is proposing :

- (a) to extend the period of validity of the present Decision for a further two years, i.e. until 31 December 1983 ;
- (b) to make a slight improvement in the rates of sales aid ;
- (c) to reduce the maximum tonnage involved in intra-Community trade to which Community financing applies.

17. In the case of sales aid, it would be a question of slightly raising the extent to which sales margins are covered (see point 14 above) with a view to facilitating intra-Community trade. The maximum rate of sales aid would be increased (1) :

- (a) from 4.40 to 4.70 ECU per tonne for works supplied by sea, and
- (b) from 2.60 to 2.80 ECU per tonne in the other cases.

(Table IX shows trend in sales aid since the scheme started).

18. The maximum quantity to which Community financing applies would be reduced from 15 to 14 million tonnes in order to take into account the trend in intra-Community trade observed in recent years and the medium-term forecasts.

19. The maximum amount of Community financing would still be 47 million ECU, the three contributions would stay the same (ECSC 6 million ECU, iron and steel industry 17 million ECU, Member States 24 million ECU), and the same scale of payments by the six Member States would apply :

Germany	7.75	million ECU
Belgium	3.25	" "
France	7	" "
Italy	3	" "
Luxembourg	1.50	" "
Netherlands	1.50	" "

20. The text of the draft enacting terms is attached (p. 18).

21. FUTURE OUTLOOK

The coking coal scheme was established on the basis of political considerations in the Community and the Member States in 1967. It has, with certain modifications, been renewed several times and has thus been applicable for 14 years. Meanwhile, and especially since the last prolongation of the scheme, the problems of the Community's energy supply and the situation on the world coal market have undergone profound changes. In giving itself new energy objectives for 1990, the Community has begun to adapt its structure and its conditions of supply and consumption. The Community steel industry, too, is passing through a difficult period of structural change.

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(1) Decision No 73/287/ECSC, Article 1 (b).

It therefore seems logical to re-examine, in the context of a coherent energy policy, all the problems related to a common coal strategy including those of the supply of coking coal and coke for the steel industry.

The renewal of the current scheme for two years will provide a suitable period to facilitate the definition of this new approach in liaison with the parties concerned while avoiding the introduction into the policy of prejudicial uncertainties or discontinuities.

1 Annex

9 tables (numbered I to IX)

DRAFT

COMMISSION DECISION

(ECSC)

amending Decision No 73/287/ECSC concerning coking coal and coke for the iron and steel industry in the Community

Article 1

Decision No 73/287/ECSC is hereby amended as follows :

1. Article 1 (b) shall read as follows :

"a sales aid applying to deliveries made to areas remote from the coalfield or effected by way of intra-Community trade. The rate of any such aid may not exceed 4.70 ECU per tonne of coking coal in the case of deliveries to installations which can be supplied direct by sea or where in the case of intra-Community trade, carriage by sea is necessary, and 2.80 ECU per tonne of coal in all other cases. No scale adopted by a Government shall introduce any element of discrimination into the aids relating to the deliveries made by the coal undertakings".

2. Article 7 (1) shall read as follows :

"The Community financing arrangements shall cover an annual quantity of coal amounting to no more than 14 million tonnes and an amount of no more than 47 million ECU per year".

3. The second and third paragraphs of Article 13 shall read as follows :

"This Decision shall cease to have effect on 31 December 1983.

This Decision shall be binding in its entirety and directly applicable in all Member States".

Article 2

This Decision shall enter into force on the day of its publication in the Official Journal of the European Communities and shall take effect from 1 January 1982.

This Decision shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Commission

(1) Annual averages, but quarterly figures for 1981

(2) Properties :	ash	6 % (dry basis)
	moisture	5 %
	sulphur	1 % (dry basis)
	volatile matter	24 % (dry basis)
	size range	0-30 m/m

TABLE II

COMMUNITY COAL 1980

(10⁶ tonnes)

Country	Production	Deliveries to coking plants		Intra-Community trade (1)	
	(a)	(b)	(% $\frac{b}{a}$)	total	(c) of which coking coal and blast-furnace coke(2)
B	6	4	62	1	0.2
D	95	43	46	20	14
F	18	5	25	1	-
UK	128	10	8	4	-
EUR	247	62	25	26	14

(1) Coke expressed in tonnes of coal.

(2) Tonnage included in (b).

TABLE III

Application of Decision No 73/287

Distribution of intra-Community deliveries

Annual average 1973-1977
(10⁶ tonnes)

ies to	<u>Tonnages delivered</u>		<u>Tonnages eligible for aid (1)</u>					
	Total (1) (a)	of which coke (2) (b)	Total base (c = d + e)		of which for inland works (d)		for coastal works (e)	
			%		%		%	
que	2.2	0.2	2.0	(100)	1.7	(84)	0.3	(16)
e	6.7	2.2	6.3	(100)	5.4	(85)	0.9	(15)
a	2.6	0	2.0	(100)	-	(0)	2.0	(100)
bourg	2.7	2.2	2.7	(100)	2.7	(100)	-	(0)
land	1.0	0.2	0.9	(100)	-	(0)	0.9	(100)
	15.2	4.8	14.0	(100)	9.8	(70)	4.2	(30)

ncluding coke expressed in terms of coal.

= t.

TABLE IV

COMMUNITY COKE 1980

(10⁶ tonnes)

Country	Production (a)	Quantities received by blast furnaces (b) (1)	Intra-Community trade	
			Total	of which b.-f. coke (deliveries)
B	6	5	0.3	-
D	29	17	6.0	5.4
F	11	10	0.4	.
I	8	6	-	.
L	-	2	-	-
NL	2	2	0.5	0.4
UK	10	4 (2)	0.3	-
EUR	66	46	7.5	5.8 (3)

(1) Including intra-Community trade.

(2) Tonnage reduced due to strike.

(3) Tonnages included in (c2) of Table II.

TABLE V

BLAST-FURNACE COKE

Consumption (a)

Quantities received in intra-Community trade (b)

Percentage (b : a)

(10⁶ tonnes)

<u>Country</u>	<u>1975</u>			<u>1977</u>			<u>1980</u>		
	a	b	% $\frac{b}{a}$	a	b	% $\frac{b}{a}$	a	b	% $\frac{b}{a}$
B	5.0	0.3	6	4.6	0.1	2	5.3	1.0	19
D	15.0	-	0	14	-	0	17.4	-	0
F	9.5	2.2	23	9.1	2.7	30	10.0	2.4	24
IT	5.4	-	0	5.4	-	0	5.5	-	0
L	2.0	2.1	105	1.8	1.6	89	1.9	1.9	100
NL	1.9	0.2	11	1.8	-	0	1.9	0.4	21
GB	7.4	-	0	7.3	-	0	3.7(1)	-	0
EUR	46.2	4.8	10	44	4.4	10	45.7	5.8	13

(1) Reduction due to strike.

TABLE VI

THE COKE RATE IN BLAST FURNACES

Country	(kg per tonne of pig iron)			
	1974	1977	1980	1981 (estimate)
B	563	526	545	545
D	517	477	515	520
F	552	504	520	530
I	499	477	455	460
L	538	497	545	550
NL	470	450	430	430
UK	596	603	580	575
EUR	537	505	514	518

TABLE VII

IMPORTS OF COKING COAL INTO

THE COMMUNITY

(10⁶ tonnes)

<u>ORIGIN</u>	<u>Tonnages received</u>			<u>Tonnages contracted</u>	
	<u>1974</u>	<u>1977</u>	<u>1980</u>	<u>1980</u>	<u>1981 (1)</u>
U.S.A.	8.5	8.2	13	15.7	10.4
Australia	2.3	3.6	3.1	5.2	4.8
Poland	5.2	4.2	2.7	5.3	5.1
USSR	1.4	1.1	0.7	0.9	0.9
Other	-	10.3	0.5	-	-
TOTAL	17.4	17.4	20	27.1	21.2

(1) Provisional.

DELIVERIES FROM EASTERN BLOC COUNTRIES

in the first quarters of 1980 and 1981

	<u>I/80</u>	<u>I/81</u>
Poland	1.1	0,5
USSR	0.2	0,06

AID IN RESPECT OF INTRA-COMMUNITY TRADE IN COKING COAL AND COKE

Year 1975 1976 1977 1978 1979 1980

A) Tonnes eligible for aid (mt)

D	14.7	12.9	10.6	11.3	13.2	12.9
B	-	-	-	-	-	0.1
F	-	-	-	0.2	0.2	0.05
Total	14.7	12.9	10.6	11.5	13.4	13.1

B) Contributions to the Community fund (MEUA)

	State Steel Total	State Steel	State Steel Total	State Steel Total	State Steel Total	State Steel Total
D	2.3	6.2	8.5	2.0	5.7	7.7
B	0.9	2.1	3.0	0.8	2.0	2.8
F	2.0	4.0	6.0	1.8	3.7	5.5
It	0.9	2.3	3.2	0.9	2.0	2.9
NL	0.7	0.8	1.5	0.7	0.7	1.4
EUR-6	0.4	0.8	1.2	0.4	0.7	1.1
ECSC	7.2	16.2	23.4	6.6	14.8	21.4
Total	-	-	5.9	-	-	5.4
UK	29.3	26.8	22.2	24.5	28.4	40.3
Amounts repaid via the Community funds (MEUA)	3.0	3.2	2.4	2.3	2.8	1.0

C) Amounts repaid via the Community funds (MEUA)

D	29.3	26.8	22.2	24.2	28.1	39.8
B	-	-	-	-	-	0.4
F	-	-	-	0.3	0.3	0.1
Total	29.3	26.8	22.2	24.5	28.4	40.3

D. National production aid in respect of (A) tonnages

	(EUA/t)	MEUA	(EUA/t)	MEUA	(EUA/t)	MEUA
D	5.1	54.1	16.1	182.1	19.3	255.0
B	-	-	-	-	-	-
F	-	-	33.3	6.7	43.6	8.7
Total	-	54.1	-	188.8	-	263.7
Repayment (c) in relation to total aid (C) + (D) (%)	100	100	29	12	9.9	9.6
	-	-	-	-	-	5.4
	-	-	6.0	4.8	3.7	3.5
Total	-	-	-	-	-	382.8

RATE OF SALES AID PER TONNE (COKING COAL)

Year No Calendar year (Decision No)	(1) 1973	(2) 1974	(3) 1975	(4) 1976	(5) 1977	(6) 1978	(7) 1979	(8) 1980	(9) 1981	(10) 1982
1973 UA (73/287)	3 1.60	3 1.60	3 1.60	3 1.60 *	2.60 * 1.40 *	2 1	* *			
1976 EUA (2963/76)				3.165 1.688	2.743 * 1.477 *	2.110 * 1.055 *				
1977 EUA (751/77)					3.165 1.688	2.110 * 1.055 *				
1977 EUA (1613/77)					3.165 1.688	3.165 1.688	3.165 1.688			
1979 EUA (3058/79)								4.40 2.60	4.40 2.60	
1981 EUA (draft)										4.70 2.80

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TABLE IX

* Rates cancelled and replaced as a result of next decision.

